

AN ACT

RELATING TO CHILD CARE; CREATING THE CHILD CARE FACILITY REVOLVING
LOAN FUND; AUTHORIZING LOANS FOR LICENSED CHILD CARE FACILITIES TO
MAKE NECESSARY IMPROVEMENTS FOR HEALTH AND SAFETY; DECLARING AN
EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Child Care Facility
Loan Act".

Section 2. PURPOSE.--The purpose of the Child Care Facility Loan Act is to
support the physical improvement, repair, safety and maintenance of licensed child
care facilities throughout New Mexico by providing long-term,
low-interest funding through a revolving loan fund so as to ensure availability of
healthy and safe teaching environments.

Section 3. DEFINITIONS.--As used in the Child Care Facility Loan Act:

A. "department" means the children, youth and families department;

B. "facility" means a child care facility operated by a provider,
including both family home-based and
center-based programs, licensed by the department to provide care to infants,
toddlers and children;

C. "fund" means the child care facility revolving loan fund; and

D. "provider" means a person licensed by the department to provide
child care to infants, toddlers and children pursuant to Section 9-2A-8 NMSA 1978.

Section 4. FUND CREATED--ADMINISTRATION.--

A. The "child care facility revolving loan fund" is created in the New
Mexico finance authority to provide low-interest, long-term loans to providers to make
health and safety improvements in their facilities. The fund shall consist of
appropriations, gifts, grants and donations to the fund, which shall be invested as
provided in the New Mexico Finance Authority Act. Money in the fund shall not revert

1 and is appropriated to the department, which shall utilize the fund for the purposes of
2 the Child Care Facility Loan Act. Administrative costs of the authority may be paid
3 from the fund. Expenditures from the fund for loans to providers shall be made upon
4 warrants of the secretary of finance and administration pursuant to vouchers signed
5 by the secretary of children, youth and families or his authorized representative.

6 B. Money in the fund shall be used to make loans to providers that
7 demonstrate the need to make health and safety improvements, including space
8 expansion, in order to maintain an adequate and appropriate environment for their
9 clients. Loans from the fund are to be made at the lowest legally permissible interest
10 rates for the longest amount of time in order to allow the providers the maximum
11 opportunity to maintain the business while repaying the loan.

12 C. No more than twenty percent of the fund may be loaned to a single
13 provider in a single loan. A provider that has received a loan from the fund in the
14 immediately preceding five years or that has not completed repayment of a previous
15 loan from the fund is ineligible for a new loan. The department shall give priority for
16 loans to facilities of providers that serve proportionately high numbers of state-
17 subsidized clients and low-income families.

18 D. The department, in conjunction with the New Mexico finance
19 authority, shall adopt rules to administer and implement the Child Care Facility Loan
20 Act. The rules shall become effective when filed in accordance with the State Rules
21 Act.

22 Section 5. EMERGENCY.--It is necessary for the public peace, health and
23 safety that this act take effect immediately.
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